

# Family Economic Security Program

The Family Economic Security Program (FESP) provides economic services that build long-term financial stability among low-income families in Montana. From its inception in 2006, the purpose of FESP, alongside the temporary Governor's Advisory Council on Economic Security for Montana Families, was to be the "think tank" for how to reduce demand for public benefits and promote economic independence—locating best practices and replicating them throughout the system as a whole.

Over the years, FESP has evolved to meet the unique needs of its communities while maintaining adherence to its foundational 'Beyond Poverty Platform', which emphasizes economic development through financial literacy, stable & affordable housing, high wage/high demand occupations, individual development accounts, and employer linkages. Coupled with individualized case management, FESP meets the needs of its participants through supportive services, which reduce barriers to success and develop community members that invest in local assets and contribute to the economic future of our state.

## **Four Core Elements of FES Programs:**

*Barrier Reduction*

*Obtaining Assets*

*Financial Literacy*

*Case Management*

## A Portrait of Clients Served

From intake surveys conducted at one of the FESP contracting sites, we learn that:

- 87% of participants are single parents, 67% of whom have 2 or more children in the household
- 1/3 of participants have a High School Diploma or GED
- Of those employed upon entry of the program, average income from employment per month is less than \$1000
- 65% stated they had trouble paying their bills on time
- 69% of those evaluated had trouble putting money into savings every month
- 25% claimed they do not own any assets

## Measurable Outcomes

Over the past 17 months...

- FESP has served 497 clients across the state
- 297 participants in the program have been banked as a result opening matched savings accounts<sup>i</sup>
- \$54,006.26 has been saved by FESP participants<sup>ii</sup>
- 195 FESP participants have been employed after completing the program.
- 410 participants have completed financial literacy courses (82%).
  - Pre- and post-financial literacy course test scores, as tracked at REO, demonstrated 90-95% knowledge improvement in the subject.
- FESP has helped 10 families purchase homes in Montana, and 6 more are currently enrolled in Homeownership IDA programs.



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## Program Funding

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Each fiscal year, a total of \$2 million dollars is appropriated from the TANF Block Grant to fund the six contracting partners that serve the following counties across the state:

1. *Rural Employment Opportunities (REO)* (Annual contract: \$491,071): Gallatin County, 49 rural counties
2. *Career Futures, Inc* (Annual contract: \$175,392): Silver Bow, Deer Lodge, Beaverhead, Powell, Granite, and Southern Jefferson Counties
3. *Career Training Institute (CTI)* (Annual contract: \$203,300): Lewis & Clark (for youth program only), Jefferson, and Broadwater Counties
4. *District 7 HRDC* (Contracted \$92,857 (Y1), \$193,500 (Y2)): Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone Counties
5. *Rural Dynamics, Inc (RDI)* (Annual contract: \$208,327): Cascade and Lewis & Clark Counties
6. *Missoula Job Service WoRC Program* (Contracted \$351,074 (Y1), \$328,567 (Y2)): Missoula County

*"FESP gives people a chance to make positive changes in their lives as well as positive contributions to their communities."*

*- Former FESP Participant*

### Individual Program Highlights

- At HRDC 7, 100% (77) of participants retained employment during their year with the program and 45% of these were previously on TANF
- 96% (53 of 55) of participants completed financial literacy courses at CTI, and 91% (80 of 88) completed them at RDI
- 82% (60 of 73) completed full vocational training or education with the Missoula WoRC Program
- Both RDI and REO boast 100% semester-to-semester educational retention rates
- At CTI, 12 participants have met their savings goals and all matched savings participants accessed \$15,016.82 in matching funds for: housing, transportation, childcare, school and work supplies, and other qualified expenses
- Employment grew an average of 34% among enrolled participants at RDI (35 employed at the beginning of the year, 53 by the year's end)
- REO has banked 91% (96 of 105) of its clients and 55% (15 of 27) participants saw an increase in their credit score
- Every client is required to complete a monthly and annual budget at Career Futures, Inc
- At CTI, 75% (18 of 24) have successfully completed a paid work experience

### Client Stories

A 19 year old mother completed necessary education and training programs through FESP, and as of June 2010, she has been employed at Community Hospital as a Medical Coder earning \$13.00/hr rather than minimum wage.

A 24 year old father of two girls had a criminal record and limited work history. In 2009, he was placed in a paid work position through FESP and now has been hired at \$14/hr plus benefits. He has met his savings goals and is using those funds for housing and transportation.

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<sup>i</sup> FY 2009-10, Career Futures did not offer a matched savings program, and therefore did not track number of participants banked.

<sup>ii</sup> Career Futures did not offer a matched savings program FY 2009-10 and cannot yet report savings for FY 2010-11. Missoula Job Service WoRC Program did not track savings FY 2009-10. REO could not yet report figures for FY 2010-11.

## **FAMILY ECONOMIC SECURITY PROGRAM**

We are developing strong, contributing, economically independent, and fiscally responsible community members across our state.

*Goals and motivations among our participants...*

"My desire is to complete my education and obtain a position that offers security and enjoyment in my field of interest."

"I want to complete C.N.A. class, get a job, get into debt program, put money into savings and work on getting my own house, off state assistance."

"I am a survivor of domestic violence and a displaced home worker. I am dedicated to improving my family's home environment."

"I want to pay off debts, re-build my credit score, save money & start my own business."

"FESP has been a 'life-line' to me and has lifted me up and given me the hope and strength to move forward."

"I am learning to be more successful financially and to build myself up to be a better and more productive person."

"I want to get my degree so I can have one job instead of three."

"I want to graduate from college and own my own home in 5 years."